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May 18, 2021

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd
Chief Clerk/Executive Director
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, SC 29210

**Re: Public Service Commission Review of South Carolina Code of Regulations
Chapter 103 Pursuant to S.C. Code Ann. Section 1-23-120(J)
Docket Number: 2020-247-A**

Dear Ms. Boyd:

Pursuant to the 6th Amended Notice of Workshops filed in the above-referenced docket, Duke Energy Carolinas, LLC ("DEC") and Duke Energy Progress, LLC ("DEP" or together, the "Companies") respectfully submit the following comments on S.C. Code Ann. Reg. 103-817(C), regarding the substance of Commission Notices included in customer bill inserts. The Companies appreciate the opportunity to provide input in this process and will participate in the workshop scheduled for May 28, 2021, represented by Frank R. Ellerbe, III. The Companies strive to communicate with their customers in a clear and effective manner and are supportive of Commission staff's efforts to create more customer-friendly and readable notices.

Although the Companies have previously communicated to the Commission regarding lead times and internal procedures for bill inserts, the Companies thought it would be helpful to provide an overview of that process here. While bill inserts are generally a convenient and cost-effective method of providing Commission notices to customers, this method of communication does have certain limitations and requires a significant amount of lead time on the part of the Companies. In total, the Companies need a minimum of fifty-five (55) days to prepare, print, and distribute bill inserts to all customers. Additionally, bill inserts must be provided to the printer by the 6th of the month prior to the month in which they will run (*i.e.*, a bill insert that is finalized on February 6 will not begin being distributed to customers until March 1). Commission Notices are not typically issued on a set schedule and are often not issued in time for the Companies to provide the finalized bill inserts to the printer by the 6th of the month. While the Companies are able to begin the bill insert process mid-month, this increases costs because processes that are already underway must be interrupted, and overtime for employees may be incurred. For example, rush orders of bill

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inserts may force the Companies to stop printing an existing order or to discard items that have already been completed.

As mentioned above, when notice must be provided to customers via bill insert, the notice posted to DMS must be routed through the Companies' internal processes and then be included with all other bill inserts that will be distributed to customers. The Companies' internal processes include selecting a template for the bill insert, resizing the notice so it fits into the envelope, having the proof reviewed by a proofreader, and having the proof reviewed by the legal department for accuracy. If any errors are discovered, the proof designer must revise the proof and the review process must start over. Once the proof of the insert has been finalized, the bill inserts must be provided to the printer located in Florida, where they are printed, packed, labeled, and shipped to KUBRA (the insertion site), which is located in New Jersey. Once at KUBRA, the bill inserts are unboxed and placed on the appropriate bin before they are inserted into the bill envelopes. It takes a minimum of three (3) weeks from the time the notice is posted to DMS before a final version can be created, printed, packed, shipped and placed on the insertion bin once it reaches the insertion site. Once the inserts have been placed into the bill envelopes, the bills are sent to customers in daily batches throughout the thirty-day billing cycle. While some variation in the amount of time required for the bill insert process may occur due to holidays, printer schedule, or technical difficulties, a minimum of fifty-five (55) days is generally required in order to cost-effectively provide notice to customers using the bill insert process.

The Companies would also note that there are also limitations on how many bill inserts can be distributed in any given month due to postal restrictions for bill mailers and the size of the bill insert. At this time, both DEC and DEP each have four (4) bill insert slots available to them each month. These slots are utility-specific and are therefore shared across the Carolinas. Further, the Companies' ability to furnish notices to customers via bill insert is contingent upon the length and size of the notice issued by the Clerk's Office. The largest bill insert the Companies can send to customers is an eight-panel insert. Therefore, if the notice is too lengthy to conform with the requirements for bill insert formatting, the Companies would instead need to provide the notice to customers via an alternative method of communication, likely a separate mailing. While the Companies do have the ability to send out special mailers, the cost associated with providing the notice via a separate mailing is often substantial and would be recoverable from customers. Because the bill insert process is generally the most cost-effective method for providing notice to customers who have not opted to receive their bills electronically, the Companies would urge the Commission and Commission staff to consider the lead time required when issuing notices that must be distributed to customers.

S.C. Code Ann. Regs. 103-817(C)(3)(A) provides that the Chief Clerk "may require that the Notice of Filing be mailed to customers and other persons and a certificate of mailing be filed on or before the return date." The regulation as written does not require Notices of Filing to be provided with a copy of the customer's bill and does not restrict the Companies to providing such notices to customers via bill insert. Given the long lead time and other limitations that the Companies face in sending Commission Notices to customers via bill insert, the Companies propose that the Commission adopt a more flexible approach to the method of communication that is used. For example, instead of requiring that the Companies provide Commission Notices to

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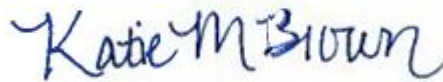
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customers “by U.S. Mail via bill inserts,” the Clerk’s Office could issue transmittal letters permitting the Companies to send Commission Notices to customers “via mail.” This would allow the Companies to utilize bill inserts where possible but would also provide the flexibility necessary to meet the Commission’s deadlines using direct mailers where the timeframe is compressed. The Companies would reiterate, however, that while direct mail is faster, it is substantially more expensive than bill inserts.

While the Companies work to communicate with their customers as clearly and effectively as possible, the Companies note that longer Commission Notices may correlate with increased costs to customers due to an increase in envelope weight and printing costs. Further, as discussed above, there are limitations on the length of bill inserts that the Companies are able to send. Therefore, the Companies would respectfully request that the Commission consider these limitations when issuing notices. The Companies sincerely appreciate the opportunity to comment on this matter and look forward to participating in the Commission’s workshop on May 28, 2021.

Sincerely,



Katie M. Brown

cc: Parties of record